

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM NOVEMBER 9, 2011**  
**OPEN SESSION**

***MINUTES OF NOVEMBER 9, 2011 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN JIMMY FIELD, VICE CHAIR CLYDE HOLLOWAY AND COMMISSIONERS FOSTER CAMPBELL, LAMBERT BOISSIERE AND ERIC SKRMETTA. ALSO PRESENT WAS EVE KAHAO GONZALEZ.***

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Open Session of November 9, 2011, convening at 9:27 A.M. and adjourning at 1:11 P.M., Natchez Room, 602 N. 5<sup>th</sup> Street, 1<sup>st</sup> Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Secretary Eve Kahao Gonzalez.

Ex. 1                      Announcements

Commissioner Field announced that Stephen Holliday and his wife welcomed their baby boy on November 8, 2011. Commissioner Field also announced and wished a happy birthday to Karen Freese. He further acknowledged and thanked any and all veterans in attendance.

Executive Counsel Dennis Weber reminded everyone that the December 14, 2011 B&E will be held in Winnfield, Louisiana.

Commissioner Field reminded everyone that the Public Utilities Section of the Louisiana State Bar Association will hold its annual CLE program on December 9, 2011 at the Renaissance Hotel beginning at 8:30 am. Any questions should be directed to Kyle Marionneaux.

Commissioner Campbell announced that there will be a reception in Natchitoches, LA on December 13, 2011, breakfast at the Political Hall of Fame in Winnfield, LA on December 14, 2011, followed by the B&E at the Winnfield Civic Center.

Commissioner Skrmetta announced that the Gas to Liquid presentation previously scheduled for November 17, 2011 was postponed by the speaker until March of 2012.

Commissioner Holloway stated his desire to hold the February 2012 B&E in his district, most likely in the Alexandria area.

Commissioner Holloway further directed Staff to invite Entergy CEO Wayne Leonard to come before the Commission to explain his positions.

Commissioner Skrmetta noted that Entergy filed its change of control proceeding around Oct. 31 which was divided into two parts. The first is the public interest test- namely, under the Commissions general order does the application pass our 18 point checklist. The second isn't filed yet- it's the detailed implementation piece. He directed Staff and the ALJ to make their best efforts to complete this review and have a recommendation to the Commission by the May 2012 B&E. This will keep us in line with the proceedings in the other jurisdictions. He also urged Staff to keep in mind that there will be an ERSC meeting in March and June 2012

Ex. 2                      **R-31907** - Louisiana Public Service Commission, ex parte. In re: Discussion on amending General Order dated March 26, 2010, to address the method of payment to carriers, the failure of carriers to provide change to the public, thereby creating overcharges, the creation of weight classifications for private property tows, proximity to the scene as a criteria on call lists and other definitional and rate issues.

**In re: Discussion and possible vote on Amended General Order.**

On motion of Commissioner Skrmetta, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation as read into the record with the additional amendment that Towing and Recovery Professionals will post a sign stating that owners of vehicles will be sent change within 10 days.

Ex. 3                      **R-31953** - Louisiana Public Service Commission, ex parte. In re: Discussion on formulating and adopting a General Order establishing procedures for the enforcement of the payment of

accurate Inspection and Supervision fees by motor carriers and public utilities, including audit procedures, a hearing process and the establishment of fines and fees for the failure to properly report and pay said fees.

**In re: Discussion and possible vote on Proposed General Order.**

On motion of Commissioner Field, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the Proposed General Order.

Ex. 4      **U-28814 Consolidated** - Atmos Energy Corporation, ex parte. In re: 2011 Rate Stabilization Clause filing for Trans Louisiana Gas Company and for Louisiana Gas Service rate division.

**In re: Discussion and Possible Vote on Budget Extension of Exeter Associates, Inc.**

On motion of Commissioner Skrmetta, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and authorize Exeter Associates, Inc. to assist Staff with the review of Trans La's and LGS's 2011 annual reports for an additional budget of \$14,000, which includes \$13,900 in consulting services and \$100 in expenses.

Ex. 5      **U-31715** - Old River Water Works, ex parte. In re: Application for an increase in water rates.

**In re: Discussion and possible vote on Joint Stipulation.**

On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Joint Stipulation executed by Staff and Old River Water Works.

Ex. 6      **U-32088** - Entergy Louisiana LLC, ex parte. In re: Application for Relief from Prior Directive and Order Related to the Proposed Purchase of Entergy Power LLC's interest in Unit 2 of the Independence Steam Electric Station (ISES).

**In re: Discussion and possible vote to hire outside consultant.**

On motion of Commissioner Holloway, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to retain Exeter Associates, Inc. for a budget of \$44,500 plus expenses not to exceed \$4,500 for a total of \$49,000 to assist Staff in this matter.

Ex. 7      **U-31944** - Entergy Louisiana LLC, ex parte. In re: 2010 Test Year Formula Rate Plan Filing.

**In re: Discussion and possible vote on ELL's Motion for Extension of Formula Rate Plan.**

**Last month's Ex. 25**

On motion of Commissioner Holloway, seconded by Commissioner Field, with Commissioners Boissiere and Skrmetta concurring and Commissioner Campbell objecting, the Commission voted to permit ELL to extend its FRP for one additional test year (2011 Test Year), with modifications, as read into the record.

Ex. 8      **U-31966** - Entergy Gulf States Louisiana, LLC, ex parte. In re: Test Year 2010 Formula Rate Plan Filing.

**In re: Discussion and possible vote on EGSL's Motion for Extension of Formula Rate Plan.**

**Last month's Ex. 26**

On motion of Commissioner Field, seconded by Commissioner Skrmetta, with Commissioners Holloway and Boissiere concurring and Commissioner Campbell objecting, the Commission

voted to permit EGSL to extend its FRP for one additional test year (2011 Test Year) as read into the record.

Ex. 9           **S-32087** - CenterPoint Energy-Arkla, ex parte. In re: Request for a letter of non-opposition to an Asset Management Agreement and Revenue Sharing Mechanism.

**In re: Discussion and possible vote on Proposed Renewal of Asset Management Agreement.**

On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and issue its non-opposition to the renewal of the AMA between CenterPoint and Sequent subject to the following conditions: 1) That all earnings paid to CenterPoint by during the term of the AMA between CenterPoint and Sequent be split 50/50 between CenterPoint and its customers; 2) That all customers' savings be flowed directly through the PGA and the utility company's share be recorded in a below-the-line revenue account; 3) That CenterPoint must request an additional declaration of non-opposition from the Commission before renewing the AMA with Sequent for an additional term beyond the term of the proposed extension, or before executing a similar AMA with another entity upon the termination of the proposed renewal agreement with Sequent; 4) That any such request must be filed with the Commission at least six months prior to the beginning of the term of the proposed renewal; and 5) That CenterPoint must provide reports to the Commission Staff illustrating the monthly costs and savings for the AMA between CenterPoint and Sequent on an annual basis, and additionally upon request by the Commission Staff as needed, during the term of the asset management agreement for the period of April 1, 2012 through March 31, 2015.

Ex. 10           **S-32089** - Louisiana Public Service Commission, ex parte. In re: Staff's Audit Report for the monthly Purchase Gas Adjustment (PGA) filings of Trans Louisiana Gas Company for the years 2007 through 2010.

**In re: Approval of Audit Report pursuant to Commission General Order No. U-22407.**

On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Staff's Audit Report, while directing Trans La on a going forward basis to: 1) Maintain each monthly PGA filing in the original Excel format, and make such files available to auditors without limitation and 2) Conduct an investigation to determine why, if its rate stabilization program is beneficial to customers during the heating season, it would not also be beneficial to customers during the remainder of the year.

Ex. 11           **S-32092** - Louisiana Public Service Commission, ex parte. In re: Staff's Audit Report of the monthly Purchase Gas Adjustment (PGA) filings of Louisiana Gas Service Company for the years 2007 through 2010.

**In re: Approval of Audit Report pursuant to Commission General Order No. U-22407.**

On motion of Commissioner Holloway, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Staff's Audit Report, while directing LGS on a going forward basis to: 1) Maintain each monthly PGA filing in the original Excel format, and make such files available to auditors without limitation and 2) Conduct an investigation to determine why, if its rate stabilization program is beneficial to customers during the heating season, it would not also be beneficial to customers during the remainder of the year.

Ex. 12           **S-32099** - EATEL CORP, LLC, EATEL Acquisition, LLC, East Ascension Telephone Company, LLC, Advanced Tel, LLC, TLX Communications, Inc., SJI Holdings, LLC, SJI, LLC and Lafourche Telephone Company, LLC ("Applicants"), ex parte. In re: Request for Approval of the Change in Ownership and Control of SJI, LLC, and Lafourche Telephone Company, LLC, and Associated Financing and Pledge of Security.

**In re: Discussion and possible vote on Staff Recommendation.**

On motion of Commissioner Boissiere, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the change in ownership and control of SJI, LLC and Lafourche Telephone Company, LLC be granted. It is further ordered that the Commission approve the associated financing and the incurrence of the senior secured Credit Facilities by EATELCORP and its existing and future subsidiaries, and the pledge of security and issuance of guaranties by the Regulated Subsidiaries. These recommendations are subject to the conditions read into the record.

Ex. 13      **S-31838 - Claiborne Ward Nine Water System, Inc., ex parte.** In re: Request for a rate increase (non-profit system).

**In re: Discussion and possible vote on Staff Recommendation.**

**Last month's Ex. 19**

On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, with Commissioners Boissiere and Holloway concurring and Commissioner Field temporarily absent, the Commission voted to accept the Staff Recommendation based on the conditions read into the record.

Ex. 14      Discussion of the failure of the Louisiana Broadband Alliance federal grant and implications for development of high-speed Internet service in rural Louisiana.

**At the request of Commissioner Campbell.**

Division of Administration Commissioner Paul Rainwater and Board of Regents Commissioner Dr. Jim Purcell appeared and answered questions from the Commission regarding the loss of the Louisiana Broadband Alliance federal grant.

Commissioner Skrmetta directed Secretary Gonzalez to compose a letter for the Commissioners' signatures stating the PSC's support of the grant being reinstated.

Vidalia Mayor Hiram Copeland voiced his support of the grant.

Ex. 15      Presentation on the Benefits of Energy Efficiency and Integrated Resource Planning Policies by Speaker Hale Powell, Technical Advisor to the Alliance for Affordable Energy.

**At the request of Commissioner Boissiere.**

Hale Powell and Mandy Mahoney gave a presentation and answered questions from the Commissioners on Energy Efficiency and Integrated Resource Planning Policies.

Commissioner Skrmetta directed Staff to request the documents from the Alliance regarding the SURDNA grant that he had previously requested but never received.

Ex. 16      Discussion of Staff investigation into possible amendments to net-metering rule as it pertains to electrical customers holding multiple accounts.

**At the request of Commissioner Campbell.**

Commissioner Campbell directed Staff to re-open the net metering docket for comments on credit redemption for customers holding multiple accounts.

Commissioner Skrmetta directed Staff to expedite a review of the smart meter program regarding possible rules to opt out prior to June 2012.

Ex. 17      1) Reports  
              2) Resolutions  
              3) Discussions

Commissioner Field directed Staff to open a rulemaking to consider the appropriate methodology for reflecting CSAPR compliance costs on customer bill.

- Ex. 18 Request for docketed investigation on adoption of a rule to prohibit utility cutoffs for residential customers with serious medical conditions.

**At the request of Commissioner Campbell.**

Commissioner Campbell directed Staff to look into refining PSC rules prohibiting utility cutoffs for residential customers with serious medical conditions in an effort to make them more comprehensive.

- Ex. 19 Entergy Gulf States, LLC's Gas Operations Annual Evaluation Report pursuant to the Rate Stabilization Plan adopted by the Commission in Order No. U-28035.

**In re: Staff request to issue RFP for consultant to assist Staff with annual RSP reviews for 2011-2013 test years.**

**At the request of Commissioner Field.**

On motion of Commissioner Field, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to authorize the issuance of an RFP for outside consultant to assist Staff with the annual reviews of the EGSL-Gas Operations RSP for the 2011-2013 test years.

- Ex. 20 Discussion of Potential Rulemaking to Consider the Impact of Alternative Fuel Vehicles on Electric and Gas Utility Operations and Vote to Consider Acadian Consulting Group's Proposal for Consulting Services.

**At the request of Commissioner Field.**

On motion of Commissioner Field, seconded by Commissioner Holloway, with Commissioners Boissiere and Skrmetta concurring and Commissioner Campbell objecting, the Commission voted to open a rulemaking to explore the opportunities and challenges presented by increased use of AFVs in Louisiana and to establish a basic regulatory and ratemaking framework for our electric and gas utilities with respect to AFV refueling infrastructure. It was further ordered that the Commission retain Acadian Consulting Group for a budget of \$39,280, with no expenses, to assist Staff in this matter.

Commissioner Skrmetta directed Staff to issue an RFP for consultants to assist Staff in a concurrent docket addressing the affects of gas to liquid technology on AFVs.

**MEETING ADJOURNED**

The next Business and Executive Session will be held December 14, 2011 at 9:00 a.m. in Winnfield, Louisiana.